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Following is text of press release to be issued by Dept Saturday. Tentative release time 1 p.m. afternoon to coincide with meeting of you and Randall with Nkrumah. VERBATIM TEXT. Dept of State announced Clarence Randall on behalf USG will today inform GOG that US will join Ghana, United Kingdom, International Bank for Reconstruction and Development, and American private industry in financing Volta River Project. Five year project will involve US loan $37 million of which about $25 million will be paid out over next three years.

Today's action is culmination of nearly three years active study and negotiation to insure economic and technical feasibility of project. The go-ahead on Volta project like recent US approval of substantial commitments of economic assistance to Tanganyika and Nigeria is expected assist developing African nations to strengthen economies, maintain independence and facilitate growth of free political institutions.

US, through its agencies, Development Loan Fund and Export-Import Bank, will loan $37 million to Volta River Authority over period of at least five years for construction of dam, power station and transmission grid. Remaining funds will come from sources outside USG. Loan advances to Volta River Authority will be made on 50-50 matching basis with GOG. Volta River

DECLASSIFICATION DATE 11/30/76
PER C. Jones OFFICE AF
FADRC FOI CASE NO. 5-D-322

Drafted by: AF:AFW:WBCoote:sej 12-14-61

Telegraphic transmission and classification approved by: AF - Henry J. Tasca

Clearance: White House - Mr. Dungan
AF - Gov. Williams
L - Mr. Chayes
U - Mr. Springsteen
S/S - Mr. Brubeck

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Authority is independent GOG corporation, patterned after Tennessee Valley Authority. Its chief engin[illegible] be Frank Dobson, distinguished Canadian engineer now with Hydroelectric Pow[illegible]mmission of Ontario.

In addition, US through DLF and ExImBank will extend loan assistance and investment guarantees to consortium of private American companies who will build and operate aluminum smelter using power generated by dam. VALCO's shareholders, the American aluminum companies, have agreed purchase aluminum produced by smelter at price which will cover debt service charges and operating costs, including power costs. The power rate, in turn, has been established at level which will cover debt service on dam. Thus repayment of both loans is assured. Under agreement between VALCO and the Authority, First National City Bank of New York will act as trustee to receive these paymants for aluminum and apply funds directly to pay VALCO's obligations. END TEXT.

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